[Hon'ble Mr. A. Thanu Pillai]

realises better than I do that these provisions are too inadequate to bring him sufficient or all round relief. But more was not possible under the present circumstances All I can say is, that God willing, we shall go on adding to these items from year to year till the entire budget progressively becomes a truly common man's budget.

Prohibition.

The introduction of prohibition in the six taluks of the State adjoining the boundaries of the Madras Province is the major special feature of the Budget this year. An area of more than one thousand square miles will go dry by the first of Chingom 1124 (17th August 1948) and the estimated loss of revenue under this head is Rs. 69 lakhs. But this loss in revenue will, I have no doubt, be richly compensated for by the moral regeneration and economic improvement in the lives of those who will come under prohibition.

Sales Tax.

In order to make good the financial loss due to the introduction of prohibition I propose to introduce a measure of direct taxation, *i. e.* "The Sales Tax" on the lines obtaining in the sister State of Cochin and the neighbouring Province of Madras. The total revenue that would come from the proposed Sales Tax will depend on the items of articles on which the Tax is to be levied and the rates that will be fixed. Moreover, the necessary legislation has to be passed and the tax can be introduced only by the middle of the year. Only a rough estimate of the yield is therefore possible at this stage and a conservative estimate would place it at Rs. 50 lakhs for the next year. But this has not been included in the Budget Estimate.

It is hoped that prohibition will be extended all over the State within the next few years. There is great enthusiasm for the measure among the people and appropriate legislation will be introduced immediately to deal with the preventive and constructive sides of Prohibition.

Income Tax.

The Income Tax Amendment Act I of 1123 provides for relief in the case of earned incomes and it is proposed to give such relief from the 1st Chingom 1124. It is proposed also to revise the rates of income tax and super tax.

Education.

Out of a total of Rs. 193·59 lakhs for Education, Rs 40 lakhs has been set aside for implementing the scheme of compulsory Primary Education. The allotment under noon-feeding of poor children is Rs 5·2 lakhs. Rs 1 lakh has been provided for Adult Education and another 1 lakh for Rural Libraries. Provision of

LIBRARY ARCHIVES Kerala Legislative Assembly

Rs. 1 lakh has been made for the education of the deaf, dumb and the blind. Rs 5 lakhs is provided for a Polytechnic Institute to be attached to the University.

Village Uplift.

Government propose to amalgamate the Village Unions, the Village Panchayats and the Village Uplift Departments into one Department and to place it under the direction of one Officer with a view to working out a comprehensive plan of Rural Development. Including the unspent balances of the last 2 years, a total amount of Rs. 35·75 lakhs is proposed to be spent by the Rural Development department during the next year. An amount of Rs. 3·20 lakhs is made available for the Co-operative Department. The Department for the Uplift of Backward Communities will get a total of about Rs 4·28 lakhs as against Rs. 3·78 lakhs for 1123. We have thus Rs. 43·23 lakhs for Rural Development work in 1124.

Medical and Rural Sanitation.

For establishing a Medical College Rs. 10 lakhs has been set aside for expenditure next year as a first instalment. The prevention and control of malaria gets Rs 1·76 lakhs, tuberculosis Rs. 1·48 lakhs and Plague Rs. 50,000. Rs 7 lakhs is provided for giving improved diet to poor patients in hospitals as against 4·5 lakhs in 1123. Rs 2 lakhs is provided for acquisition of land and additional accommodation for hospitals and dispensaries. Rs 5 lakhs is provided for supplies of Medicine and surgical instruments. An additional special allotment of Rs. 50,000 has been made in the budget of the Ayurveda Department.

The Food Position.

The food position has been causing grave anxiety to Government. The country has just emerged from a serious threat of a breakdown in its rationing system. Government had to incur a loss of Rs. 96·28 lakhs till the end of 1122. This loss has considerably increased in 1123. This is mainly due to the raising of the pool price of imported rice from I Rupees 15-14-0 per maund to I. Rs 22-11-0 per maund, while the Government were selling it at I. Rs. 12-14-9 per maund. As this difference tended to increase the loss sustained by Government, they were constrained to enhance the rate to I. Rs. 16-3-2 per maund with effect from 25th Makaram 1123, so that the abnormal loss might be reduced a little. The rate had further to be enhanced to I. Rs. 21-7-7 per maund with effect from 6th Medom 1123 as the pool price fixed by the Government of India remained unaltered. The total estimated loss during the year 1123 on account of the subsidisation of the sale of rice is about Rs 200 lakhs. This loss is too heavy for the State to bear and the question of a food subsidy to the State from the Government of India has been earnestly taken up. But a decision on this matter is still awaited.

LIBRARY ARCHIVES Kerala Legislative Assembly